Performance of Bhilai Steel Plant

3364. SHRI VIRENDRA KATARIA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the Bhilai Steel Plant of the Steel Authority of India Limited has been adjudged as the best integrated steel plant in the country during the year 1992-93 and whether this plant has maintained the same performance during the year 1993-94;

(b) if so, what are the details thereof;

(c) whether it is also a fact that due to the best performance of the plant Prime Minister has stressed that there is need for this plant to enter the phase of State of the Art technology and bring in maximum benefit to the country as well as international standard; and

(d) if so, what steps are being taken by Government to bring the product of this plant to the international standard?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) and (b) Yes, Sir. During 1993-94 Bhilai Steel has maintained and improved its performance over 1992-93 in relation to most of the physical parameters such as capacity utilisation, growth in production, efficiency of operations export performance etc.

(c) Yes, Sir.

(d) In order to upgrade the technology and the products of this plant to international standards the following steps are being taken:

(i) Introduction of taller ovens and Partial Briquetting of coal charge.

(ii) Modernisation of Blast Furnaces.

(iii) Introduction of secondary refining and continuous casting.

(iv) Modernistion of Rolling Mills—Rail and Structural Mill and Wire Rod Mill.

(v) Improved work practices.

Supply of Cocking Coal to Sail

3365. SHRI VIRENDRA KATARIA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Steel Authority of India Limited (SAIL) is not getting adequate amount of coking coal of acceptable quality;

(b) whether it is also a fact that in order to alleviate this inadequacy the Steel Authority of India is considering certain strategic options to improve the supply by floating joint ventures in the country and abroad to meet its requirement;

(c) if so, what are the details in this regard; and

(d) what measures Government propose to take to overcome the situation?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (d) It is a fact that Steel Authority of India Limited (SAIL) is not getting adequate amount of cocking coal of acceptable quality from indigenous sources. The ash content of the coal is higher in the supplies from CIL sources. The quantitative and qualitative shortage is to be met by SAIL by resorting to imports.

SAIL is exploring joint ventures in India for setting up coal washeries for which discussions are being held with the concerned parties, including Coal India Limited. Government also takes up issues relating to quantity and quality of coal supplies periodically, on behalf of SAIL, with Ministry of Coal.

Vizag Steel Plant

3366. SHRIMATI SARALA MAHESHWARI: Will the Minister of STEEL be pleased to state:

(a) whether the steel making capacity of Vizag plant is over-rated;

(b) whether it is a fact that steel making capacity is not matching with liquid steel production in the upstream unit in blast furnaces and rolling capacity in the downstream units;

(c) what was the liquid steel and saleable steel production in terms of capacity utilisation vis a vis hot metal production in Vizag steel plant in 1993-94 and what are the corresponding figures for SAIL; and

(d) what steps are being taken to balance the production capacities in Vizag Steel Plant?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) and (b) No, Sir. The rated capacity of hot metal production from Blast Furnaces at Visakhapatnam Steel Plant (VSP) has been fixed to match the production of liquid steel, rolled products (i.e. saleable steel) and pig-iron at the required levels, i.e., 3.4 million tonnes of hot metal are required to produce 3 million tonnes of liquid steel and 0.556 million tonne of pig-iron. 3 million tonnes of liquid steel will be converted into 2.656 million tonnes of rolled products.

(c) The production and capacity utilisation of hot metal, liquid (crude) steel and saleable steel in respect of VSP and SAIL (including IISCO) during 1993-94 are given below:

	Item	VSP		SAIL (including IISCO)	
		Production	% Capacity Utilisation	Production	% Capacity Utilisation
1.	Hot Metal	2369	70	10968	91
2.	Liquid (Crude) Steel	1355	45	9828	89
3.	Saleable Steel	1184	45	8645	98

(Qty. in '000 tonnes)

(d) While the upstream units upto Blast Furnace and rolling mills in the downstream have almost been stabilised in VSP, the Steel Melting Shop and the continuous casting machines will take some more time-to stabilise. Based on the present trend of production and various measures taken by VSP Management such as training of VSP personnel, technical assistance from a world renowned steel manufacturer/ technologist, some modifications in Steel Melting Shop etc., these units are expected to achieve 100% rated capacity by 1996-97.

Dividend Declared by SAIL

3367. SHRI YERRA NARAYANA-SWAMY: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that SAIL declared a dividend of only two percent at the last Annual General Meeting;

(b) what are the reasons for this low dividend;

(c) whether SAIL propose to enhance its profitability;

(d) whether overhead expenses of SAIL are extremely high; and

(e) if so, what are the total expense of SAIL offices in Delhi in 1993-94, which would include salaries, rent and every other item of expense?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir.

(b) The main reasons of low rate of dividend are:

(i) Ploughing back of a considerable portion of profits for development and growth of the company, and

(ii) the high equity base of the company.

(c) SAIL is taking various steps on continuous basis to enhance its profitability which include:

1. Increase in capacity utilisation,
2. Improving productivity,
3. Energy conservation,
4. Effective maintenance of equipments,
5. Modernisation and balancing investments,
6. Improving product-mix, making value added items and meeting customers requirements, and
7. Cost control and cost reduction measures etc.

(d) No, Sir. Overhead expenses are not high and are compatible with the size, activities and area of operation of the organisation.